



STAFF REPORT ACTION REQUIRED

Development of the 2010-2014 Child Care Service Plan

Date:	October 30, 2008
To:	Community Development and Recreation Committee
From:	General Manager, Children's Services
Wards:	All
Reference Number:	

SUMMARY

This report initiates the 2010-2014 Child Care Service Plan including adoption of draft principles and reports back on strategies for implementing recommendations in the Cleveland Report within the next Service Plan including expansion of the Toronto Operating Criteria and establishing a capital plan. It also reports back on potential financial implications of the full day learning program on existing child care programs.

RECOMMENDATIONS

The General Manager, Children's Services, recommends that:

- 1) City Council adopt the draft principles for the 2010-2014 Child Care Service Plan as follows:
 - service access based on age and geographic equity
 - publicly planned and accountable service outcomes
 - service options consistent with informed parental choice
 - first-come, first-served admission to subsidized care
 - recognition that child care services provide developmentally appropriate beneficial care for children as well as important family and community support
 - recognition that services for children and families should be planned and delivered in an integrated way that promotes seamless service transitions
 - agreement that expansion of the of the child care system take place through public and / or not-for-profit delivery
 - commitment to advancing quality and directing resources to the improvement of quality for children's services in Toronto;

- 2) a strategy for expanding the annual collection of Operating Criteria to all child care programs be included in the next Child Care Service Plan ; and
- 3) a child care capital strategy including potential funding options be included in the next Child Care Service Plan.

FINANCIAL IMPACT

The recommendations will have no financial impact beyond what has already been approved in the current year's budget.

DECISION HISTORY

City Council at its meeting of July 22, 23 and 24, 2003, adopted principles and a policy framework for the City's First Child Care Service Plan. See <http://www.toronto.ca/legdocs/2003/agendas/council/cc030722/cms6rpt/cl002.pdf>

City Council at its meeting of November 30, December 1 and 2, 2004 adopted a clause Proposed Implementation of the Multilateral Framework on Early Learning and Child Care as a Strategy to Maintain and Stabilize the Child Care System that included grandfathering commercial centres. See <http://www.toronto.ca/legdocs/2004/agendas/council/cc041130/pof9rpt/cl018.pdf>

City Council at its meeting of May 17, 2005 considered a report dated April 11, 2005 from the General Manager of Children's Service and approved the City of Toronto's Child Care Service Plan for 2005-2009. See <http://www.toronto.ca/legdocs/2005/agendas/council/cc050517/pof5rpt/cl020.pdf>

Amendments to the plan were approved at Council meetings of October 26, 2005; See Approval of the Best Start Service and Transition Plan as Amendments to the 2005-2009 Toronto Child Care Service Plan Appendix 1 Best Start Transition Infrastructure Plan. <http://www.toronto.ca/legdocs/2005/agendas/council/cc051026/pof9rpt/cl021.pdf>

Amendments to the Plan were approved at Council meetings of June 27, 28, and 29, 2006 based on updated provincial funding commitments for Best Start for 2006 and principles for a revised Child Care Service plan. See Update on Best Start Funding and Principles for a Revised Service Plan, http://www.toronto.ca/children/pdf/update_bs_funding_revservplan.pdf

Council at its meeting of July 25, 26 and 27, 2006 approved the Child Care Service Plan Update. See <http://www.toronto.ca/legdocs/2006/agendas/council/cc060725/pof6rpt/cl030.pdf>

The Community Development and Recreation Standing Committee of Council at its meeting of December 3, 2007, requested the General Manager of Children's Services to commission a report on the issues related to the expansion of corporate for profit child care. See

<http://www.toronto.ca/legdocs/mmis/2007/cd/bgrd/backgroundfile-9234.pdf>

Council at its meeting of March 3, 4 and 5, 2008 approved a report, Informing the Development of a Full-Day Program for Junior and Senior Kindergarten. It outlined the research findings from Toronto First Duty and approved a motion to ask to participate in consultations on full-day learning for four-and five-year-olds to inform the strategy development. See

<http://www.toronto.ca/legdocs/mmis/2008/cd/bgrd/backgroundfile-11108.pdf>

Council at its meeting of May 26 and 27 2008 adopted the recommendations in the Cleveland Report

<http://www.toronto.ca/legdocs/mmis/2008/cc/decisions/2008-05-26-cc21-dd.pdf>

Council at its meeting of July 15, 16 and 17, 2008 endorsed the principles from the Full-day Learning Forum. See

<http://www.toronto.ca/legdocs/mmis/2008/cd/bgrd/backgroundfile-14383.pdf>

ISSUE BACKGROUND

The Child Care Service Plan is a tool for guiding the funding and management of Toronto's children's services system over the next five years. It acts as a framework for action for the city's role in managing the continuum of services that are provided to meet the early learning and care needs of Toronto children and families in keeping with the principles of equity, accountability and high quality service. The Children's Services Division is responsible for the system management and funding of the licensed child care system, supports for families with special needs, and family resource programs. The funding takes the form of child care subsidies, wage subsidies and operating grants. The 2010-2014 Child Care Service Plan will be prepared for Council direction and approval in June 2009.

The approach to service planning for child care was first developed by the former Municipality of Metropolitan Toronto and implemented in 1993. Following amalgamation and provincial local service realignment, municipalities were given service management responsibility for a broader range of child care services than the fee subsidy system to include family resource programs, special needs resourcing and administration of wage subsidies and pay equity payments. The Children's Services Division is the Consolidated Municipal Service Manager (CMSM) for Toronto. Through the Ontario Child Care Service Management Guidelines, the Province introduced the requirement for CMSMs to develop Service Plans in support of annual funding requests.

The 2010-2014 Child Care Service Plan builds on the 2005 -2009 Service Plan goals and objectives. Between 2005-2009 the City has made considerable progress towards achieving the goals of the plan. These include advancement in the continued use and validation of the Operating Criteria for all child care programs and the launching of Criteria results on the City of Toronto web site. In addition, Children's Services has moved forward in developing options to expand and integrate early learning and care through Best Start expansion of child care in schools. This has resulted in an additional 3,400 licensed child care spaces for children aged 0-6, in accordance with the Service Plan principles and directions. The City has also taken steps to remove some of the barriers to fee subsidy access.

COMMENTS

The principles adopted by Council in the 2005 - 2009 Child Care Service Plan are:

- service access (based on age and geographic equity)
- publicly planned and accountable service outcomes
- service options consistent with informed parental choice
- first-come, first-service admission to subsidized care
- recognition that child care services provide developmentally appropriate and beneficial care for children as well as important family and community support
- recognition that services for children and families should be planned and delivered in an integrated way that promotes seamless service transitions.

These principles serve as the directional guideposts for the City in planning and managing a child care system that meets our objectives of addressing quality, access and equity, developing a system of services for children and building public support for child care. It is recommended that these principles be adopted for the 2010 – 2014 Child Care Service Plan.

In addition to these, two other principles are included. The first is

- agreement that expansion of the of the child care system take place through public and / or not-for-profit delivery

In December 2004 Council adopted a six- point action plan for building a national Early Learning and Care program that included agreeing that all expansion take place through public and / or not for profit delivery and the grand-parenting of existing for-profit programs. It was also a key recommendation of the Cleveland Report, which was commissioned by the City in 2008 to look at commercial and non profit centres and the relationship to quality, and whose recommendations were adopted by Council in May 2008. Dr. Cleveland identified that on average quality in non profit centres is higher than commercial centres.

The second principle is

- commitment to advancing quality and directing resources to the improvement of quality for children's services in Toronto.

This principle reaffirms the City's historical commitment to ensuring that child care services in Toronto are of the highest quality. The correlation between high quality child care and concurrent and later measures of child development was also identified by Dr. Cleveland in his study.

Further to this, the Cleveland Report confirmed that the monitoring function of the Toronto Operating Criteria is effective in raising overall quality. The report recommended that Children's Services do some further work in both refining the criteria and expanding its reach. The Toronto Operating Criteria is one of the key monitoring tools that the Children's Services Division currently uses to ensure quality in all centres with purchase of service agreements. It is proposed that the 2010 – 2014 Service Plan include a strategy for expanding the operating criteria to all child care programs.

Further, the Community Development and Recreation Committee, in the context of the Cleveland Report, directed the General Manager to explore options for increasing access to capital funding. It is proposed that the Child Care Service Plan include a capital plan and funding strategy aligned with system growth.

Finally, at the October 2008 Community Development and Recreation Committee there was a staff report, *Additional Funding for Child Care and Ongoing Funding Pressures* that outlined a number of funding issues facing the child care system. The 2010-2014 Child Care Services Plan will provide the guidepost for the management of the child care system, and set a basis for developing the City position on the funding and policy reforms that affect the child care system in Toronto.

As identified in the October report, Children's Services is maintaining the current council approved service levels in child care through reserve funding which will be depleted in 2011. The provincial policy and funding context is unclear. The Provincial Best Start funding is only committed to March 2010. As well, the Province has announced a new policy initiative on full day learning for four-and five-year-olds and asked the Premier's Early Learning Advisor, Dr. Charles Pascal, to recommend a model for consideration in spring 2009. It is too early to know how Toronto's child care system will be affected, but the General Manager was asked to report back on the financial implications of the full day learning program on existing child care programs. A preliminary analysis is included with the attached Appendix, Potential Impacts of Full Day Learning on Toronto's Child Care System.

For illustration purposes only, the appendix discusses possible scenarios ranging from maintaining the current system with the only exception of a longer [kindergarten](#) day, to a scenario in which the education sector takes over full funding and program responsibility for the full day, year-round early learning and care of children enrolled in Junior Kindergarten and higher grades.

Recognizing that too little is known at this time about the direction that is expected to be announced next year, the paper presents a preliminary estimate of the potential cost impacts on the child care system. When the provincial direction becomes apparent, more detailed work should be carried out to identify system wide costs and opportunities. Individual child care organizations should carefully examine the impact and potential adjustments to their operations if child care services for kindergarten and school age children become the responsibility of the education sector. In many cases individual circumstances such as size of the current operation, location and ability to adjust individual age groups will be the determining factor in sustaining the individual child care service providers.

Scope and Timeframe

In development of the Service Plan, Children's Services will be engaging its stakeholders through existing structures. Community engagement is a cornerstone of the service planning process. In the spring of 2009 a series of engagement sessions will be held. The primary client groups, parents and children who are the users of the child care system and operators who are the service providers in the child care system including the existing advisory groups Child Care Advisory and the Children's Services Advisory will be engaged in a dialogue focused on the directions of the 2010-2014 Child Care Service Plan.

CONCLUSION

This report is to initiate the development of the 2010-2014 Child Care Service Plan incorporating expansion of the Toronto operating criteria and a capital plan and building on the 2005-2009 Service Plan. It seeks endorsement of the principles that are critical for setting the direction for Toronto's child care system, for ongoing service planning and for guiding the service management of the range of services that the City of Toronto as Consolidated Municipal Services Manager (CMSM) is given responsibility for.

CONTACT

Petr Varmuza
Director, Operational Effectiveness
Children's Services Division
Tel. 416-392-8294
Fax 416-392-4576
Email: varmuza@toronto.ca

SIGNATURE

Nancy J. Matthews, General Manager of Children's Services

ATTACHMENT

Appendix 1 - Potential Impacts of Full Day Learning on Toronto's Child Care System

Potential Impacts of Full Day Learning on Toronto's Child Care System

Introduction

In November 2007 the Premier of Ontario announced the appointment of Dr. Charles Pascal to the position of Early Learning Advisor and asked him "to recommend the best way to implement full-day learning for four- and five-year-olds". Dr. Pascal's report is expected in the spring of 2009 and the actual implementation is not scheduled to begin until September 2010.

Council at its meeting of July 15, 16 and 17, 2008 endorsed a request from the Community Development and Recreation Committee that General Manager, Children's Services present an analysis of the financial impact of introducing a full day kindergarten on Toronto's child care system. In the absence of any concrete proposals from the Early Learning Advisor, it is not possible to be definitive about the financial impacts on the child care system. Much of the actual impact will depend on how full-day is defined, where the program is delivered, what the program model looks like, and the respective roles of the education and child care systems in the delivery of the program.

Thus, for the purposes of this analysis, three different scenarios are presented to help illuminate some of the funding and financial issues and provide some potential financial impacts on the child care system in Toronto. These scenarios are:

1. The child care system provides a "wrap-around" service for children attending kindergarten in much the same manner in which care for school age children is currently delivered. This means that before and after school the child will attend a child care program, while during the rest of the day he/she will attend the school. As in the current system, the lunch-time care may be delivered in the child care or spent in the school. During the times of the year when the school is closed, the child will attend a child care program full time.
2. Child care and education components are integrated in a way that achieves the desired result without any substantive change in regulatory, financial and accountability frameworks. The educational program may be delivered in a school-based classroom or in a child care centre by a team of qualified teachers and early childhood educators.
3. Child care for children attending full day Junior and Senior Kindergarten become the responsibility of the education sector, requiring the eventual integration of program, regulatory, human resource and financial frameworks for service delivered to children attending kindergarten or elementary school.

Toronto's Child Care System

Toronto's child care system is continually evolving with the opening and closing of centres and change in operators. In September 2008 there were 917 separate locations with a license from the Ministry of Children and Youth to operate a child care centre under the provisions of the Day Nurseries Act; their total operating capacity was 52,157 spaces. In addition 21 home child care agencies with an estimated 3,400 enrolled children were licensed to deliver supervised home child care services in Toronto. Thus, the formal child care system in Toronto has capacity to provide care for approximately 55,500 children.

Of all the service providers, 653 centres and 10 home child care agencies with a total capacity of approximately 43,000 spaces provide care for children requiring fee subsidy under an agreement with the City of Toronto; the subsidy system supports on average 24,000 children on a full time basis. Appendix I provide a breakdown of the system in terms of licensed spaces, age groups, auspice and location; each of these characteristics will help to determine the impact of full day kindergarten on the viability of individual child care operations.

The Cost of Child Care

The annual operating cost of the 917 centres¹ is approximately \$519 million; broken down to individual age groups the costs are distributed as follows:

Infants	\$57.3 million
Toddler	\$88.6 million
Preschool	\$281.9 million
<u>School age</u>	<u>\$91.2 million</u>
Total	\$519.0 million

It is challenging is to estimate the value of service to children attending kindergarten. Due to size of the program and other constraints, most child care centres deliver service to kindergarten age children in a mixed group of children aged between 30 months and age of entry to Grade 1. The cost of this care is based on a lower ratio of 1 child care staff to 8 children. Less than 25 percent of preschool spaces appear to be actually delivered at the ratios associated with kindergarten group which are 1:10 for children in Junior Kindergarten and 1:12 in Senior Kindergarten. However if, based on the profile of subsidized children we assume that fully 63 percent of all preschool children would fall into the "attending kindergarten" category, then the \$281.9 million cost of the preschool

¹ In order to maintain a contract with the City of Toronto agencies must submit annual budgets which lead to establishment of rates paid on behalf of the subsidized children. Much of the following discussion of the financial impacts of full day learning and care is based on knowledge of the actual costs of care delivered by the 653 centres and more specifically of almost 600 centres that are not directly operated by the municipality. Whenever possible an imputation of purchase of service costs will be made to estimate the contribution of the 264 centres without purchase of service.

system would be split into \$104.3 million for the younger preschoolers and \$177.6 million for children attending kindergarten.

Of the total program expenditure approximately \$248 million is funded through fee subsidies and another \$52 million is accounted for by wage subsidies and pay equity grants. After subtracting partial fees paid by subsidized clients and rents paid by the City on behalf of centres located in schools, full fee clients pay approximately \$200 million in user fees.

Parent fees for full time care vary considerably across the City depending on market conditions, centre configuration and operating costs such as salaries and proportion of trained staff. The average full fees by age group are:

	<u>Daily</u>	<u>Annual</u>
Infants	\$62.43	\$16,294
Toddler	\$52.10	\$13,598
Preschool	\$39.06	\$10,195
School age	\$25.10	\$6,551

Where is preschool child care delivered?

Almost 800 child care programs across the city deliver child care to preschool children (aged 2 year 6 months to entry to Grade 1); two thirds are delivered by centres located in primary schools while the rest are located elsewhere in the community. The majority of centres, and especially those located in schools (87%), have two or less preschool rooms. This means that most child care programs do not separate preschool children into separate rooms, especially when the kindergarten-age children attend school during different times of the day. The effect of full day kindergarten will be clearly different for centres located in schools and in the community; however small centres in either setting will face disproportionately bigger challenges if accommodating any change in their operations. The financial viability of a child care program losing 63% of its population to full day kindergarten in a two room child care centre would seriously threaten its financial stability.

What is a Full Day?

For parents and educators a full day of child care operation is generally defined and often experienced as 11 hours per day, 261 days per year. In contrast, full day of kindergarten can be defined as morning and afternoon components of 2.5 hours each for 188 instructional days (school year). A child currently attending part day kindergarten and child care spends potentially more than 5 times in child care than in school (2,401 hrs vs. 470 hrs or 84%). If nothing else changes, then just the introduction of an additional 2.5 hrs per day of kindergarten reduces the child care time to 67%, or twice as much time in child care as in school.

However, depending on the model adopted, there could in future be two distinct child care days for kindergarten children. The first would consist of 188 days of ‘wrap-around care’ of up to 6 hours per day; the second would be 73 days of up to 11 hours per day of child care while the school is closed. Of course, in a fully integrated model where the parent requires child care would be 261 days of up to 11 hours of daily early learning and care.

Will Full Day Kindergarten result in a higher the demand for child care and child care subsidy?

Current funding level and system capacity is not sufficient to accommodate even the existing demand for child care by children currently attending kindergarten or any potential increase in demand for childcare from children attending full day kindergarten.

In a previous report to Community Development and Recreation Committee February, 2008 (CDR14.3) on Adequacy of Child Care Funding and Service Levels, it was estimated that 79,000 to 89,000 full and partial child care subsidies would be needed to provide child care subsidy for all children living in families eligible for child care subsidy. The City only has sufficient funding for 24,000 child care subsidy spaces meeting only 27% to 30% of the need.

Extrapolating subsidized child care data, approximately 18,000 or 34% of all 4 and 5 year olds are attending child care and an additional 3,500 are on the subsidy waiting list. Introduction of the full day kindergarten could eventually result in an increase of the demand to approximately 70%, matching the female labour force participation rate. To meet this demand, there would have to be expansion of almost 20,000 child care spaces.

This increase of almost 20,000 child care spaces could be only accommodated in at least shared, or even better, integrated learning and care space. Assuming equitable compensation and minimum overhead, the cost for the child care component of the kindergarten program would be at least \$7,000. For Toronto, at least, the gross cost of meeting the potential increased demand would be, at minimum, \$140 million. Assuming 35% subsidy rate, close to additional \$50 million in subsidy funding would be required to accommodate that kind of growth in service for this age group.

This estimated increase in demand for child care for 4 and 5 year old children is relevant to each of the scenarios below; however, who bears the financial burden depends on the program model the province adopts.

Scenario #1 – Learning and Child Care as Two Separate Systems

In this scenario, the child care system provides a wrap-around service for children attending kindergarten in much the same manner in which care for school age children is currently delivered. The kindergarten day would be expanded from the current half-day to a full-day reducing the hours of child care service by 2.5 hours daily,

It has been argued that the shift from half-day to full-day kindergarten alone would provide a significant cost saving by reducing the amount of time in child care and therefore the associated teaching cost. If the program room were staffed at 1:10 or 1:12 ratio then a reduction of \$1,230 on average from the current space cost could be expected; however the overall impact on the child care system would be negligible as less than 25 percent of all preschool rooms are classified as serving kindergarten age children, and even smaller proportion are actually staffed to the higher ratios. In larger number of cases the designation of a program room as “kindergarten” is done for the purposes of separating the younger preschoolers from the older children without adjusting the ratios.

It is very likely though, that full fee paying parents would demand a significant reduction in their fees as a result of the smaller number of hours spent in child care. But the effect of this program model is that the child care staffing would have to provide in split shifts and would be almost impossible to deliver. Centers, especially those located outside schools, might be forced to refocus their service on younger children and cease provision of care to the older children; serving younger preschoolers may drive up costs because of higher staffing ratios (1:8 vs. 1:10 or 1:12).

In the small number of cases where centres operated under different ratios for preschool and kindergarten children but charged identical fees, user fees would also have to increase to offset a loss of a “cross-subsidy” from kindergarten age children to younger preschoolers; for those cases this cross-subsidy has been estimated to be about \$1,075 per kindergarten space per year, or \$4.10 per day. In total it is estimated that the overall impact of this shift would create a pressure of approximately \$10M system-wide for full fee and subsidized spaces.

Scenario #2 – Two systems, two programs, one space

This scenario assumes that full day early learning and care would be integrated in one shared site, but without any substantive change in regulatory, financial and accountability frameworks for child care and education.

This model of service delivery does currently exist in various forms, and built upon local conditions, programs have achieved service delivery of varying levels of integration without significantly increasing costs. Therefore, the relative cost impact on the child care system would be insignificant at the current service level.

The most significant cost shift at the current service level would be the shift of 2.5 hours of child care to education with the introduction of full-day kindergarten, which as identified above would reduce the cost of the child care in some cases by approximately 20%. This is because these are average numbers calculated from budget formulas and the actual amount would be different for each centre.

The key factor related to cost impact on the child care system of this model is whether the site for this service is exclusively in schools. The shifting of child care service for kindergarten children to school would also require a corresponding increase in enrolment

of younger children in community based child care centres in order to preserve their viability. Based on current capacity within the purchase of service and municipal centres, approximately 7,800 new placements, including almost 3,000 subsidies would be required to offset loss of the kindergarten age children.

Scenario #3 – One system of early learning and care for kindergarten and school age children

In this scenario, full day early learning and child care for children attending Junior and Senior Kindergarten would become the responsibility of the education sector. Under this scenario, it is also assumed that the responsibility for school age child care would also transfer to the education sector.

The fundamental question underlying this option is whether the current child care funding follows the older children to the education sector or the stays in the child care sector. While it is possible for community based operators to analyze the centre-by-centre impact of “losing” the kindergarten and school-age children to the other system, in many cases the only chance for survival will depend upon the ability to replace the older children with younger ones. This would require reconfiguring existing operations, often with a substantial capital component.

It is a widely held opinion that without a cross-subsidy from fees paid by parents of older children, the fees paid by the parents for younger children would be unaffordable. However, analysis of operating budgets revealed that the primary burden of the cross-subsidy is generally borne by wage subsidies; in other words, the fees paid on behalf of older children generally cover the full cost of their child care and the wage subsidies associated with those spaces subsidize the cost care for the younger age groups.

The current expenditure on subsidies for school-age children is approximately \$34 million with additional \$6 million for wage subsidies and grants. This is in addition to approximately \$70 million in subsidies and \$15 million in wage subsidies for kindergarten age children. The total loss to the system could be in excess of \$125 million if the funding follows the children without any compensation for the support they provide to the younger age groups. The removal of the older children from the system would result in increased overhead costs and loss of cross-subsidy that makes services for the younger age groups somewhat more affordable. It is doubtful that the system could survive the loss of the older children without significant injection of base funding and additional fee subsidies.

On the other hand, should the funding remain in the child care system then an opportunity exists to improve the affordability of child care for the younger age groups, improve quality and expand scope of service, improve integration of services with other child and family supports or a combination of any of the above.

Conclusion

This paper has provided a brief description of potential financial impacts of three different scenarios of full-day early learning and child care for kindergarten-age children. It is important to understand that in its current state, the health and viability of the child care system depends on the viability of individual child care operations. Thus scenarios that attempt to accommodate the full day kindergarten without a significant structural change, may present more danger to the child care providers while at the same time having a negligible financial impact on the overall system. Recognizing that too little is known at this time about the direction that is expected to be announced next year, the paper presents a preliminary estimate of potential cost impacts on the child care system of increased demand for kindergarten related child care; it also addresses the potential impact of removing kindergarten and school age childcare completely from the current system into the education sector.

When the provincial direction becomes apparent, more detailed work should be carried out to identify system wide costs and opportunities. Individual child care organizations should carefully examine the impact and potential adjustments to their operations if child care services for kindergarten and school age children become the responsibility of the education sector. In many cases individual circumstances such as size of the current operation, location and ability to adjust individual age groups will be the determining factor in sustaining the individual child care service providers.

Background - Child Care in Centre Based Programs

Background - Child Care in Centre Based Programs

- in September of 2008 there were 917 licensed child care programs with an operating capacity of 52,157 spaces
- of the 917 centres, 653 (71.21%) had a purchase of service contract with the City of Toronto for provision of access to children with subsidy, or were directly operated by the municipality (57 centres)
- the purchased system (including municipal centres) has an operating capacity of 40,199 spaces, with preschool children (aged 30 months up to entry to Gr.1) accounting for 20,839 spaces (51.8%); spaces for school age children form the second largest group at 12,381 (30.8%)
- of all the child care centres, 367 (40%) are located in open, primary grade schools, while 550 are located elsewhere in the community.
- centres located in schools differ significantly in their service profile from centres located in the community:
 1. of the 20,579 operating capacity in schools, 51.6% is dedicated to school age children and 45.0% to preschoolers
 2. for the purchase of service centres located in schools it is 49.5% school age and 46.7% preschool
 3. only 6% (156) of all infant spaces and 9.1% of all toddler spaces are delivered in centres located in schools
 4. the community based centres provide a much more balanced distribution of age groups; for example in the purchased sector 9.7% of all space serve infants, 18.8% toddlers, 56.1% preschoolers and 15.5 school age; this is in contrast to the purchased sector school based centres where only .9% of spaces are serving infants and 3.0% toddlers
- it is difficult to establish how many of the preschool spaces are serving kindergarten age children; based on the age distribution of subsidized children, it can be estimated that in the full system (purchased and non-purchased centres):
 1. 37% (10,492) of all preschool spaces are for children below kindergarten age,
 2. 33% (9,357) for children eligible to attend Junior Kindergarten and
 3. 30% (8,507) for children eligible for Senior Kindergarten
- our knowledge of the non-purchased sector is fairly limited, especially in those cases where there is not any funding (such as wage subsidies and rent subsidies) present; this is especially true for preschool programs where many centres focus mainly on part-time care delivered often for only 10 months of the year
- how much does child care for kindergarten age children cost and how much do parents pay?
 1. majority of care is delivered under the preschool ratios and regulations; this is mainly because
 - centres generally cannot depend on all kindergarten children being in school at the same time
 - centres and parents prefer care to be delivered at 1:8 ratios

- the age mix may be constantly changing; different ratios apply to children of Junior Kindergarten age (1:10) and Senior Kindergarten age (1:12)
 - the costs associated with escorting children to and from school reduce potential saving
 - classrooms are not configured efficiently to accommodate a full group of kindergarten children
2. analysis of 584 purchase of service budgets (excluding municipal centres) shows that some programs that are either located in schools or are large enough to accommodate kindergarten age children only, do offer different rates from the younger preschool spaces. Among the 584 programs:
 - care is being provided for 19,495 children, of whom 12,282 could be assumed to be of either Junior or Senior Kindergarten age.
 - Only 4,650 (38%) of those 12,282 children are being served in programs that are specifically designated as serving children who are 4 and 5 years old
 3. of the 233 programs that show a separate kindergarten rate, the average cost is \$8,232; of these 45 have no preschool component whatsoever having been created as a part of the Best Start expansion in 2006 and 2007.
 4. the remaining 188 programs offer both preschool and kindergarten rates; analysis shows that:
 - the actual cost of a kindergarten age program is \$7,779 as opposed to \$9,912 for a preschool program
 - after grants that average \$706 for a kindergarten space and \$1,103 for preschool space, then net costs are reduced to \$7,072 and \$8,808 respectively
 - full fees are, on average, \$8,854 for a kindergarten space and \$9,307 for a preschool space; this means, that before grants the parents of kindergarten age children are “subsidizing” the care for younger children by about \$1,075 or \$4.10 per day
 5. all of the above figures are averages based on the purchase of service program budget data; costs and fees for individual programs will vary significantly

Operating Capacity of Licensed Child Care Centres in Toronto

Status	Centres	Infants	Toddlers	Presch.	Sch-age	Total	Centres	Infants	Toddlers	Presch.	Sch-age	Total
All Centres	917	2,583	6,048	28,356	15,170	52,157	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
		5.0%	11.6%	54.4%	29.1%	100.0%						
Contracted	653	2,291	4,688	20,839	12,381	40,199	71.2%	88.7%	77.5%	73.5%	81.6%	77.1%
		5.7%	11.7%	51.8%	30.8%	100.0%						
Not Purchased	264	292	1,360	7,517	2,789	11,958	28.8%	11.3%	22.5%	26.5%	18.4%	22.9%
		2.4%	11.4%	62.9%	23.3%	100.0%						

Based in	Centres	Infants	Toddlers	Presch.	Sch-age	Total	Centres	Infants	Toddlers	Presch.	Sch-age	Total
All Centres	917	2,583	6,048	28,356	15,170	52,157	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
		5.0%	11.6%	54.4%	29.1%	100.0%						
Community	550	2,427	5,500	19,095	4,556	31,578	60.0%	94.0%	90.9%	67.3%	30.0%	60.5%
		7.7%	17.4%	60.5%	14.4%	100.0%						
School	367	156	548	9,261	10,614	20,579	40.0%	6.0%	9.1%	32.7%	70.0%	39.5%
		0.8%	2.7%	45.0%	51.6%	100.0%						

Auspice	Centres	Infants	Toddlers	Presch.	Sch-age	Total	Centres	Infants	Toddlers	Presch.	Sch-age	Total
All Centres	917	2,583	6,048	28,356	15,170	52,157	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
		5.0%	11.6%	54.4%	29.1%	100.0%						
Commercial	202	677	1,904	8,328	2,039	12,948	22.0%	26.2%	31.5%	29.4%	13.4%	24.8%
		5.2%	14.7%	64.3%	15.7%	100.0%						
Non-profit	658	1,534	3,614	18,437	12,561	36,146	71.8%	59.4%	59.8%	65.0%	82.8%	69.3%
		4.2%	10.0%	51.0%	34.8%	100.0%						
Municipal	57	372	530	1,591	570	3,063	6.2%	14.4%	8.8%	5.6%	3.8%	5.9%
		12.1%	17.3%	51.9%	18.6%	100.0%						

Auspice & location	Centres	Infants	Toddlers	Presch.	Sch-age	Total	Centres	Infants	Toddlers	Presch.	Sch-age	Total
Commercial	202	677	1,904	8,328	2,039	12,948	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
		5.2%	14.7%	64.3%	15.7%	100.0%						
Community	189	677	1,879	7,808	1,587	11,951	93.6%	100.0%	98.7%	93.8%	77.8%	92.3%
		5.7%	15.7%	65.3%	13.3%	100.0%						
School	13	-	25	520	452	997	6.4%	0.0%	1.3%	6.2%	22.2%	7.7%
		0.0%	2.5%	52.2%	45.3%	100.0%						
Non-profit total	658	1,534	3,614	18,437	12,561	36,146	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
		4.2%	10.0%	51.0%	34.8%	100.0%						
Community	315	1,398	3,121	9,992	2,629	17,140	47.9%	91.1%	86.4%	54.2%	20.9%	47.4%
		8.2%	18.2%	58.3%	15.3%	100.0%						
School	343	136	493	8,445	9,932	19,006	52.1%	8.9%	13.6%	45.8%	79.1%	52.6%
		0.7%	2.6%	44.4%	52.3%	100.0%						
Municipal	57	372	530	1,591	570	3,063	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
		12.1%	17.3%	51.9%	18.6%	100.0%						
Community	46	352	500	1,295	340	2,487	80.7%	94.6%	94.3%	81.4%	59.6%	81.2%
		14.2%	20.1%	52.1%	13.7%	100.0%						
School	11	20	30	296	230	576	19.3%	5.4%	5.7%	18.6%	40.4%	18.8%
		3.5%	5.2%	51.4%	39.9%	100.0%						

Based in	Centres	Infants	Toddlers	Presch.	Sch-age	Total	Centres	Infants	Toddlers	Presch.	Sch-age	Total
Community	550	2,427	5,500	19,095	4,556	31,578	60.0%	94.0%	90.9%	67.3%	30.0%	60.5%
		7.7%	17.4%	60.5%	14.4%	100.0%						
Contracted	350	2,135	4,153	12,394	3,420	22,102	63.6%	88.0%	75.5%	64.9%	75.1%	70.0%
		9.7%	18.8%	56.1%	15.5%	100.0%						
Not Purchased	200	292	1,347	6,701	1,136	9,476	36.4%	12.0%	24.5%	35.1%	24.9%	30.0%
		3.1%	14.2%	70.7%	12.0%	100.0%						
School	367	156	548	9,261	10,614	20,579	40.0%	6.0%	9.1%	32.7%	70.0%	39.5%
		0.8%	2.7%	45.0%	51.6%	100.0%						
Contracted	303	156	535	8,445	8,961	18,097	82.6%	100.0%	97.6%	91.2%	84.4%	87.9%
		0.9%	3.0%	46.7%	49.5%	100.0%						
Not Purchased	64	-	13	816	1,653	2,482	17.4%	0.0%	2.4%	8.8%	15.6%	12.1%
		0.0%	0.5%	32.9%	66.6%	100.0%						